



RESOLUTION

on the tasks and roles of the external public audit in the light of recent developments in the European Union economic governance

CC-R-2012-06

The Contact Committee,

Recognising that the strategy for the new European economic governance combines European Union, Euro-area and national level actions and involves instruments such as the European Semester, the Six Pack, Two Pack and Fiscal Compact as well as the Europe 2020 Strategy;

Recognising that these measures aim to foster financial stability, macroeconomic balance and sound public finances (including sustainable sovereign debt) on the one hand, and economic growth and new jobs on the other;

Recalling that some of the measures already taken to confront and combat the onerous impact of the financial and economic crisis on several EU Member States have led to the mobilisation of substantial public financial resources at both national and European level;

Recalling that discussions on the EU's response to the crisis and its impact on the EU SAIs and the ECA were regularly held since 2009, leading to exploring cooperation with statistical bodies, identifying audit gaps and seeking solutions to filling them, fiscal policy issues and audit of Lisbon Strategy/Europe 2020; and resulting in corresponding activity reports, conclusions and recommendations;

Emphasising that immediate accomplishments include an improvement of the public oversight of the European Stability Mechanism, achieved through the coordinated action of the SAIs of the Euro area and the ECA, together with the support of the Contact Committee;

Recognising that the Supreme Audit Institutions of the Member States of the European Union and the European Court of Auditors have always aimed at contributing to better systems and to enhancing the effectiveness of the national use of Community funds, as well as to the new economic and fiscal governance measures of the European Union;

Appreciating the contributions made by the International Organisation of Supreme

Audit Institutions (INTOSAI) to strengthen government audit globally (e.g. by application of the International Standards of Supreme Audit Institutions – ISSAIs) and to the sustainable recognition of the function and tasks of government audit by the United Nations’ Resolution A/66/209 adopted by the United Nations General Assembly on 22 December 2011 on “Promoting the efficiency, accountability, effectiveness and transparency of public administration by strengthening Supreme Audit Institutions”, which clearly highlights the principles of independence of government audit institutions;

Recognising that these recent and upcoming developments bring with them new and complex challenges for EU SAIs and the ECA in providing a full audit picture of the performance of the new European policy instruments for parliaments and citizens;

Recalling in this context the role the national Supreme Audit Institutions may have in respect of:

- audit of the annual summaries of the audits and declarations and the proposed national management declarations according to internationally accepted auditing standards, or to assume functions with regard to the preparation of the national management declarations;
- independent audit of the accounts of the government sector to be carried out at the request of the European Commission for the purposes of the excessive deficit procedure; and
- investigations of the European Commission (Eurostat) with regard to the procedures envisaged for the sanctions concerning the manipulation of national statistics;

Recalling the enhanced economic and fiscal cooperation of the Member States of the European Union in terms of:

- strengthening budgetary surveillance (including the establishment of independent monitoring bodies to monitor national fiscal rules) and the surveillance of the economic policies of the Member States;
- enforcing the correction of excessive deficits and macroeconomic imbalances;
- setting requirements for budgetary frameworks of the Member States (fiscal framework directive);
- strengthening economic and budgetary surveillance of those Member States in the euro area which experience serious difficulties with respect to their financial stability; and
- strengthening the economic pillar of the Economic and Monetary Union and competitiveness;

and with regard to the plans of the European Union:

- to establish a “genuine” economic and monetary union, with a fiscal union, a banking union and improved democratic control as its core elements; and
- to consider applying International Public Sector Accounting Standards (IPSAS) for national public accounting systems;

Aware that the financial resources required for the budget of the European Union to finance its policy areas and for the stabilisation packages – such as the European Stability Mechanism – ultimately have to be funded by the economic performance and taxes paid by citizens and taxpayers who have a right to these funds being spent in accordance with the principles of efficiency, effectiveness, regularity and compliance, as well as transparency and accountability of those responsible for the management of these funds;

Decides to establish a task force composed by the Troika and other interested SAIs in which a common position shall be drafted by mid April 2013 and presented to the Contact Committee in May 2013 for consideration on the tasks and roles of SAIs in the light of:

- recent developments in the EU concerning the establishment of a new economic, fiscal and financial architecture, as well as those regarding national management declarations, excessive deficits procedures and national statistics;
- prerequisites for effective fulfilment of these tasks; and
- requirements for independence, effectiveness and credibility of SAIs,

in order to contribute most appropriately and effectively to future legislative processes, possibly in a consultative way, building on the strengths and experience of the Contact Committee and its member organisations;

Resolves to make this Resolution available on the Contact Committee website.

Estoril, 19 October 2012

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